



Notice of Meeting
Special Called Meeting of the Keene City Council

Thursday, June 8, 2023

Lisa Parrish
Mayor

Ray Johnson
Place I

Thomas Gutwa
Place II

James Belz
Mayor Pro-Tem, Place III

Rob Foster
Ward I

Gwen Beeson
Ward II

Owen Larson
Ward III

Notice is hereby given that a Special Called Meeting of the City Council of the City of Keene will be held on Thursday, June 8, 2023, at 6:00 PM at the Keene City Hall, located at 1000 N Old Betsy Rd (FM 2280), Cleburne, Texas, in the City Council Chambers.

City Hall is wheelchair accessible. The entry ramp is at the front, with entry at the front entrance to City Hall. Reasonable accommodation to furnish auxiliary aids or assistance to assist persons with special needs will be provided when seventy-two (72) hours advance notice is given. Please contact the City Secretary at 817-641-3336 ext. 105.

The City Council of the City of Keene, Texas, reserves the right to meet in a closed executive session on any of the items listed below should the need arise and if authorized by Title 5, Chapter 551, of the Texas Government Code.

Call to order and certification of quorum

Invocation & Pledge of Allegiance

1. Mayor Comments:
2. Public Comments:

(Citizens are invited to speak on any topic; however, unless the item is specifically noted on this agenda, the City Council is required under the Texas Open Meetings Act to limit its response to one of the following: Responding with a statement of specific factual information or reciting the City's existing policy on that Issue or Directing the person inquiring to visit with City Staff about the issue. (No council deliberation is permitted)

Citizens are required to stand when speaking, state their name and address, and the comment time is limited to three (3) minutes. The amount of time given to the public to speak may be changed at any time at the mayor's discretion.

3. Consideration and approval of City Council Minutes dated May 30, 2023, and June 1, 2023.
4. Discussion and take action adopting Ordinance 2023-656 authorizing the issuance and sale of City of Keene, Texas public property finance contractual obligation, series 2023; Levying an annual ad valorem tax for payment of said obligations; providing an effective date; and enacting other provisions relating to the subject.
5. Discussion and take possible action canceling the Regular City Council Meeting on June 15, 2023.
6. Discussion and give direction to staff on advertising time frame for the Zoning Board of Adjustment positions with the term expiration of June 2023.
7. Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, the City Council may convene into a closed, Executive Session in accordance with the following authority:

551.071 (consultation with the attorney)	551.072 (real property)	551.073 (prospective gifts)
551.074 (personnel matters)	551.076 (security matters)	551.087 (economic development)

Executive Session may be held, under these exceptions, at the end of the Regular Session, Workshop, and/or Special Session, or at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council Meeting.

8. Reconvene into Open Session for possible action resulting from any item posted or discussed in Executive Session.
9. Requests for future items on the agenda.
10. Adjourn.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the City Council of Keene,

Texas is a true and correct copy of said Notice and that I posted a true and correct copy of the said notice on the official bulletin board of City Hall, a place convenient and readily accessible to the general public at all times, and that said notice was posted on or before 6:00 P.M., Friday, June 2, 2023.

By: *TMansell* Tabatha Mansell, City Secretary

Confirmation of Agenda removed by _____ at _____ a.m./p.m. on _____, 2023.



City Council Agenda Item 3 Report

June 8, 2023

Contact – Tabatha Mansell at
citysecretary@keenetx.com

SUBJECT: Consideration and approval of City Council Minutes dated May 30, 2023, and June 1, 2023.

ENCLOSURES

- Minutes 05.30.2023
- Minutes 06.01.2023

**MINUTES
of the
KEENE CITY COUNCIL**

TUESDAY, MAY 30, 2023

PRESENT: Mayor Lisa Parrish, James Belz, Ray Johnson, Thomas Gutwa, Rob Foster, Owen Larson, And Gwen Beeson.

ABSENT: None.

CALL TO ORDER: The meeting was called to order at 6 p.m.

Invocation – Councilmember Foster

Pledge of Allegiance & Pledge to the Texas Flag – Council and Public.

1. Mayor Comments:

- None.

2. Public Comments:

- Tim Parrish, Jen Baggett, Kevin Romanelli, and Susan Gutwa spoke on the agenda item.

3. Discussion and take possible action authorizing the purchase of a fire pumper truck and/or brush truck for the fire department using financing through Hilltop Securities.

- Chief Warner spoke on the topic.
- Councilmember Johnson spoke on the topic.
- Councilmember Larson spoke on the topic.
- Councilmember Beeson spoke on the topic.
- Pierce Sales Representative Brian Peters spoke on the topic.
- Wes Schram spoke on the topic.
- Captain Stroud spoke on the topic.
- Councilmember Foster spoke on the topic.
- Councilmember Gutwa spoke on the topic.
- Finance Director Charles Williams spoke on the topic.
- Hilltop Securities Managing Director Jim Sabonis spoke on the topic.
- Samantha Gillin spoke on the topic.
- Captain Howerton spoke on the topic.
- Billie Hopps spoke on the topic.
- Jen Baggett spoke on the topic.
- Brent Batla spoke on the topic.

- Councilmember Foster made a motion authorizing the Interim City Manager to purchase a fire pumper truck and brush truck through the HGAC (Houston-Galveston Area Council) Purchasing Cooperative to be financed through Hilltop Securities with a Public Property Finance Act Contract and authorize the Interim City Manager to sign all documents needed to purchase the trucks.
- Councilmember Gutwa seconded the motion.
- Motion carried unanimously 6-0-0.

4. **Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, the City Council may convene into a closed, Executive Session in accordance with the following authority:**

551.071 (consultation with the attorney) 551.072 (real property) 551.073 (prospective gifts)
551.074 (personnel matters) 551.076 (security matters) 551.087 (economic development)

a) **No executive session was held.**

5. **Reconvene into Open Session for possible action resulting from any item posted or discussed in Executive Session.**

6. **Meeting adjourned at 7:47 p.m.**

By: _____

Lisa Parrish, Mayor

Attest: _____

Tabatha Mansell, City Secretary

**MINUTES
of the
KEENE CITY COUNCIL**

THURSDAY, JUNE 1, 2023

PRESENT: Mayor Lisa Parrish, James Belz, Ray Johnson, Thomas Gutwa, Rob Foster, Owen Larson, Gwen Beeson.

ABSENT: None.

CALL TO ORDER: The meeting was called to order at 6 p.m.

Invocation – Mayor Parrish.

Pledge of Allegiance & Pledge to the Texas Flag – Council and Public.

1. Mayor Comments:

- None

2. Public Comments:

- Troy Smith spoke on forward thinking.
- Captain Stroud of the Keene Professional Fire Fighter Association recognized the Mayor and Council.

3. Consideration and approval of City Council minutes dated May 18, 2023, and May 25, 2023.

- Councilmember Foster made a motion to approve the City Council Minutes dated May 18, 2023, and May 25, 2023.
- Councilmember Belz seconded the motion.
- Motion carried unanimously 6-0-0.

4. Discussion to select committee members to review the preliminary 2023-2024 Budget.

- Mayor Parrish spoke on the topic.
- Councilmember Beeson spoke on the topic.

- Mayor Parrish invited Councilmembers Larson and Gutwa to be on the Budget Committee. Councilmembers Larson and Gutwa accepted.
- Mayor announced herself, plus the following community citizens will be on the Budget Committee, Amy Lingo, Melissa Patterson, and Jennifer Thompson.

5. Discussion and take possible action selecting money market accounts.

- Finance Director Charles Williams spoke on the topic.
- Councilmember Johnson spoke on the topic.

- Councilmember Belz made a motion to approve leaving the money market accounts at Pinnacle Bank.
- Councilmember Johnson seconded the motion.
- Motion carried unanimously 6-0-0.

6. Discussion and take possible action authorizing staff to use the CARES Act (ARPA) funds for the purchase of live streaming for public meetings held by the City Council and other City boards, commissions, and economic development corporations.
 - Human Resource Director Nathan Drambareanu spoke on the topic.
 - Councilmember Johnson spoke on the topic.
 - Councilmember Larson spoke on the topic.
 - Mayor Parrish spoke on the topic.
 - Councilmember Belz spoke on the topic.
 - Samantha Gillin spoke on the topic.
 - Councilmember Beeson spoke on the topic.
 - Councilmember Foster spoke on the topic.
 - Troy Smith spoke on the topic.

 - Councilmember Foster made a motion to table authorizing staff to use the CARES Act (ARPA) funds for the purchase of live streaming for public meetings held by the City Council and other City boards, commissions, and economic development corporations.
 - Councilmember Belz seconded the motion.
 - Motion carried unanimously 6-0-0.

7. Discussion and give direction to staff regarding the remaining funds of the sidewalk project.
 - Assistant City Manager Don Martin spoke on the topic.
 - Councilmember Larson spoke on the topic.
 - Councilmember Johnson spoke on the topic.
 - Councilmember Foster spoke on the topic.
 - Wes Schram spoke on the topic.
 - Councilmember Gutwa spoke on the topic.
 - Troy Smith spoke on the topic.

 - Staff was directed to bring quotes back to Council, not to exceed \$50,000.

8. Discussion and take possible action adopting a new agreement with Eric Wilhite Planning+ Design.
 - Mayor Parrish spoke on the topic.
 - Councilmember Foster spoke on the topic.

 - Councilmember Foster made a motion to approve adopting a new agreement with Eric Wilhite Planning+ Design.
 - Councilmember Larson seconded the motion.
 - Motion carried 5-1-0 (Johnson against)

9. Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, the City Council may convene into a closed, Executive Session in accordance with the following authority:

551.071 (consultation with the attorney)	551.072 (real property)	551.073 (prospective gifts)
551.074 (personnel matters)	551.076 (security matters)	551.087 (economic development)

10. Reconvene into Open Session for possible action resulting from any item posted or discussed in Executive Session.

11. Requests for future items on the agenda.

- **Possibly canceling June 15, 2023, scheduled meeting for lack of Council business.**
- **Review Zoning Board of Adjustment applications for July 6, 2023, meeting.**
- **Bring back Live streaming quotes and Sidewalk options for a July meeting.**

12. Meeting adjourned at 6:56 p.m.

By: _____

Lisa Parrish, Mayor

Attest: _____

Tabatha Mansell, City Secretary



City Council Agenda Item 4 Report

June 8, 2023

Contact – Charles Williams at
finance.director@keenetx.com

SUBJECT: Discussion and take action adopting Ordinance No. 2023-656 authorizing the issuance and sale of City of Keene, Texas public property finance contractual obligation, series 2023; Levying an annual ad valorem tax for payment of said obligations; providing an effective date; and enacting other provisions relating to the subject.

ENCLOSURES

- Ordinance No. 2023-656

CERTIFICATE FOR ADOPTION OF ORDINANCE NO. 2023-656

THE STATE OF TEXAS
JOHNSON COUNTY
CITY OF KEENE

We, the undersigned officers of the City of Keene (the "City"), hereby certify as follows:

1. The City Council convened in a special meeting on June 8, 2023, at the designated meeting place, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Lisa Parrish; Mayor
Rob Foster; Ward I
Gwen Beeson, Ward II
Owen Larson, Ward III

Ray Johnson, Place I
Thomas Gutwa, Place II
James Belz, Mayor Pro-Tem, Place III

and all of said persons were present, except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written Ordinance entitled

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF KEENE, TEXAS PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION, SERIES 2023; LEVYING AN ANNUAL AD VALOREM TAX FOR PAYMENT OF SAID OBLIGATIONS; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said Ordinance be adopted and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed and carried with all members present voting "AYE" except the following:

NAY: ____

ABSTAIN: _____

2. That a true, full and correct copy of the aforesaid Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Ordinance has been duly recorded in said City Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the adoption of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Ordinance would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor of said City has approved and hereby approves the aforesaid Ordinance; that the Mayor and the City Secretary of said City have duly signed said Ordinance; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON JUNE 8, 2023.

Mayor
City of Keene, Texas

City Secretary
City of Keene, Texas

[SEAL]

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF KEENE, TEXAS PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION, SERIES 2023; LEVYING AN ANNUAL AD VALOREM TAX FOR PAYMENT OF SAID OBLIGATIONS; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Public Property Finance Act, Texas Local Government Code, Sections 271.001 through 271.009, inclusive (the "Act"), authorizes, among others, cities to execute, perform, and make payments under contracts with any person for the use, acquisition or purchase of personal property or the financing thereof as described in the Act;

WHEREAS, the City Council (the "City Council") of the City of Keene, Texas (the "City") has found and determined that it is necessary, useful and appropriate for its public purposes to acquire and purchase all right, title and interest in the personal property described in Section 1 hereto, (the "Property" or "Project");

WHEREAS, the City Council has found and deems it necessary, useful and appropriate for its public purposes to acquire the Property and to adopt this Ordinance and issue the Contractual Obligations herein authorized as permitted by the Act; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KEENE, TEXAS:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CONTRACTUAL OBLIGATION. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The contractual obligation of the City of Keene, Texas (the "Issuer") is hereby authorized to be issued and delivered in the aggregate principal amount of \$[] for the purpose of paying all or a portion of the Issuer's contractual obligations to be incurred in connection with the purchase of a new fire engine, a new brush truck and to pay the costs of issuance incurred in connection with the issuance of the Contractual Obligation.

The term "Contractual Obligation" as used in this Ordinance shall mean and include collectively the contractual obligation initially issued and delivered pursuant to this Ordinance and any substitute contractual obligation exchanged therefor, as well as any other substitute or replacement contractual obligation issued pursuant hereto, and the term "Contractual Obligation" shall mean any such contractual obligation.

Section 2. DESIGNATION, DATE, DENOMINATION, NUMBER, MATURITY AND INTEREST RATE OF CONTRACTUAL OBLIGATION. Each contractual obligation issued pursuant to this Ordinance shall be designated: "CITY OF KEENE, TEXAS, PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION, SERIES 2023," and there shall be issued, sold, and delivered hereunder one fully registered contractual obligation, without interest coupons, dated June 1, 2023, in the denomination and principal amount of \$[], numbered R-1, with any contractual obligation issued in replacement thereof being in the denomination of the full principal amount of the series of which the contractual obligation is issued and numbered consecutively from R-2 upward, payable in installments to the registered owner thereof, or to the registered assignee of said contractual obligation (in each case, the "Registered Owner"). Principal of said contractual obligation shall mature and be payable in installments on the dates and in the amounts stated in the FORM OF CONTRACTUAL OBLIGATION set forth in this Ordinance. The contractual obligation shall

bear interest on the unpaid balance of the principal amount thereof from the date of delivery to the scheduled due date or date of redemption prior to the scheduled due date, of the principal installments of the contractual obligation at the rate of interest stated in the FORM OF CONTRACTUAL OBLIGATION set forth in this Ordinance. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF CONTRACTUAL OBLIGATION set forth in this Ordinance.

Section 3. CHARACTERISTICS OF THE CONTRACTUAL OBLIGATION.

(a) Registration. The Issuer shall keep or cause to be kept at the principal corporate trust office of [PAYING AGENT/REGISTRAR], located in [CITY], Texas (the "Paying Agent/Registrar"), books or records for the registration of the transfer and exchange of the Contractual Obligation (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Contractual Obligation to which payments with respect to the Contractual Obligation shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Contractual Obligation. Registration of assignments, transfers and exchanges of a Contractual Obligation shall be made in the manner provided and with the effect stated in the FORM OF Contractual Obligation set forth in this Ordinance. Each substitute Contractual Obligation shall bear a letter and/or number to distinguish it from each other Contractual Obligation.

(b) Transfer and Exchange. Except as provided in Section 3(f) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Contractual Obligation, date and manually sign said Contractual Obligation, and no such Contractual Obligation shall be deemed to be issued or outstanding unless such Contractual Obligation is so executed. The Paying Agent/Registrar promptly shall cancel any Contractual Obligation surrendered for exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing transfer and exchange of any Contractual Obligation, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of a substitute Contractual Obligation in the manner prescribed herein. Pursuant to Chapter 1201, Government Code, as amended, the duty of transfer of a Contractual Obligation as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Contractual Obligation, the exchanged Contractual Obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Contractual Obligation that initially was issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(c) Payment of Contractual Obligation and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Contractual Obligation, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Contractual Obligation, shall properly and accurately record all payments on the Contractual Obligation on the Payment Record, and shall keep proper records of all exchanges of Contractual Obligations, and all replacements of Contractual Obligations, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record

Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least 5 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of the Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) In General. The Contractual Obligation (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Contractual Obligation to be payable only to the Registered Owner thereof, (ii) may and shall be prepaid or redeemed prior to its scheduled maturity (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 30 days prior to any such redemption date), (iii) may be exchanged for another Contractual Obligation, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Contractual Obligation shall be payable and subject to redemption, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Contractual Obligation, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF Contractual Obligation set forth in this Ordinance. The Contractual Obligation initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Contractual Obligation issued in exchange for any Contractual Obligation issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF Contractual Obligation.

(e) Paying Agent/Registrar. The Issuer covenants with the Registered Owner of the Contractual Obligation that at all times while the Contractual Obligation is outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Contractual Obligation under this Ordinance, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 20 days written notice to the Paying Agent/Registrar, to be effective not later than 15 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Contractual Obligation, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to the Registered Owner of the Contractual Obligation, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(f) Authentication. Except as provided below, no Contractual Obligation shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on the Contractual Obligation. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Contractual Obligation delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall

be evidence that the Initial Contractual Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(g) Delivery of Initial Contractual Obligation. On [June 29, 2023], the “Closing Date”, one initial Contractual Obligation representing the entire principal amount of the Contractual Obligation, payable in stated installments to the Purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, and with the date of delivery inserted thereon by the Paying Agent/Registrar, will be delivered to such Purchaser or its designee.

Section 4. FORM OF CONTRACTUAL OBLIGATION. The form of the Contractual Obligation, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Contractual Obligation initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as set forth in Exhibit A, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

Section 5. INTEREST AND SINKING FUND.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Contractual Obligation. All ad valorem taxes levied and collected for and on account of said Contractual Obligation shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Contractual Obligation is outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Contractual Obligation as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Contractual Obligation as such principal matures (but never less than 2% of the original amount of said Contractual Obligation as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year while said Contractual Obligation is outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Contractual Obligation, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. If lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Article 1208, Government Code, applies to the issuance of the Contractual Obligation and the pledge of the taxes granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Contractual Obligation is outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the Registered Owner of the Contractual Obligation a security interest in said pledge, the Issuer agrees to take

such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF CONTRACTUAL OBLIGATION.

(a) Any Contractual Obligation and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Contractual Obligation") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Contractual Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until the Defeased Contractual Obligation shall have become due and payable. At such time as a Contractual Obligation shall be deemed to be a Defeased Contractual Obligation hereunder, as aforesaid, such Contractual Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem a Defeased Contractual Obligation that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Contractual Obligation for redemption; (2) gives notice of the reservation of that right to the Registered Owner of the Defeased Contractual Obligation immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Contractual Obligation and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of a Defeased Contractual Obligation may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 6(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Contractual Obligation, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Contractual Obligation.

(d) Until the Defeased Contractual Obligation shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Contractual Obligation the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED Contractual Obligation.

(a) Replacement Contractual Obligation. In the event any outstanding Contractual Obligation is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Contractual Obligation of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Contractual Obligation, in replacement for such Contractual Obligation in the manner hereinafter provided.

(b) Application for Replacement Contractual Obligation. Application for replacement of a damaged, mutilated, lost, stolen or destroyed Contractual Obligation shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Contractual Obligation, the Registered Owner applying for a replacement Contractual Obligation shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Contractual Obligation, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Contractual Obligation, as the case may be. In every case of damage or mutilation of a Contractual Obligation, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Contractual Obligation so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Contractual Obligation shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Contractual Obligation, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Contractual Obligation) instead of issuing a replacement Contractual Obligation, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Contractual Obligation. Prior to the issuance of any replacement Contractual Obligation, the Paying Agent/Registrar shall charge the Registered Owner of such Contractual Obligation with all legal, printing, and other expenses in connection therewith. Every replacement Contractual Obligation issued pursuant to the provisions of this Section by virtue of the fact that any Contractual Obligation is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Contractual Obligation shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance.

(e) Authority for Issuing Replacement Contractual Obligation. In accordance with Section 1206.022, Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Contractual Obligation without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Contractual Obligation is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Contractual Obligation in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for a Contractual Obligation issued in exchange for another Contractual Obligation.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CONTRACTUAL OBLIGATION; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Contractual Obligation initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Contractual Obligation pending its delivery and their investigation, examination, and approval by the

Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Contractual Obligation said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Contractual Obligation, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Contractual Obligation. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers (if obtained) may, at the option of the Issuer, be printed on the Contractual Obligation issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owner of the Contractual Obligation.

(b) The obligation of the Purchaser to accept delivery of the Contractual Obligation is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Contractual Obligation to the Purchaser.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CONTRACTUAL OBLIGATION.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Contractual Obligation as an obligation described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Contractual Obligation (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the Property financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Contractual Obligation, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Contractual Obligation or the Property financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Contractual Obligation (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Contractual Obligation being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Contractual Obligation being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Contractual Obligation, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire

investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Contractual Obligation, other than investment property acquired with –

(A) proceeds of the Contractual Obligation invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Contractual Obligation is issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Contractual Obligation;

(7) to otherwise restrict the use of the proceeds of the Contractual Obligation or amounts treated as proceeds of the Contractual Obligation, as may be necessary, so that the Contractual Obligation does not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Contractual Obligation) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Contractual Obligation has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(9) to assure that the proceeds of the Contractual Obligation will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations (hereinafter defined). It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "Treasury Regulations"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Contractual Obligation, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Contractual Obligation under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Contractual Obligation, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Contractual Obligation under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor and the City Administrator to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Contractual Obligation.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Projects financed with the proceeds of the Contractual Obligation on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Contractual Obligation or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Contractual Obligation, or (2) the date the Contractual Obligation is retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Contractual Obligation or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Obligation. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Obligation. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Designation as Qualified Tax Exempt Obligations. The Issuer hereby designates the Contractual Obligation as “qualified tax exempt obligations” as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Contractual Obligation is issued, the Issuer (including any subordinate entities) has not designated nor will designate tax-exempt obligations, which when aggregated with the Contractual Obligation, will result in more than \$10,000,000 of “qualified tax exempt obligations” being issued; (b) that the Issuer reasonably anticipates that the amount of tax exempt obligations issued, during the calendar year in which the Contractual Obligation is issued, by the Issuer (or any subordinate entities) will not exceed \$10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Contractual Obligation will not be considered “private activity bonds” within the meaning of section 141 of the Code.

(g) Procedures to Monitor Compliance with Tax Covenants. The Issuer hereby adopts the procedures attached hereto as Exhibit B as a means of monitoring compliance with the federal tax covenants made herein.

Section 10. SALE OF CONTRACTUAL OBLIGATION. The Contractual Obligation is hereby initially sold and shall be delivered to [PURCHASER] (the "Purchaser") for cash for the par value thereof, pursuant to the purchase agreement dated the date of the final passage of this Ordinance which the Mayor is hereby authorized to execute and deliver. The Contractual Obligation shall initially be registered in the name of the Purchaser. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

Section 11. FURTHER PROCEDURES. The Mayor, Mayor Pro Tem, City Secretary, City Manager and Director of Finance, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with

the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Contractual Obligation, the sale of the Contractual Obligation and the private placement letter. In addition, prior to the initial delivery of the Contractual Obligation, the Mayor, Mayor Pro Tem, City Secretary, City Manager, Director of Finance, City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and described in the private placement letter, or (ii) obtain the approval of the Contractual Obligation by the Texas Attorney General's office. In case any officer whose signature shall appear on any Contractual Obligation shall cease to be such officer before the delivery of such Contractual Obligation, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 12. NO RULE 15c2-12 UNDERTAKING. The Issuer has not made an undertaking in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Issuer is not, therefore, obligated pursuant to the Rule to provide any on-going disclosure relating to the Issuer or the Contractual Obligation. The Issuer will however provide the owner of the Contractual Obligation, with its annual financial audit report within 12 months after each of the Issuer's fiscal year end beginning with the Issuer's fiscal year ending September 30, 2023, unless such information is available on the Electronic Municipal Market Access website.

Section 13. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on the Contractual Obligation when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the registered owners of the Contractual Obligation, including, but not limited to its prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by the registered owner to the Issuer.

(b) Remedies for Default. Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the registered owner under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owner hereunder or any combination of such remedies.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Contractual Obligation or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Contractual Obligation shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Contractual Obligation authorized under this Ordinance, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the City Council.

Section 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of the Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the Registered Owner shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of the Registered Owner, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in the Contractual Obligation so as to:

- (1) Make any change in the maturity of the Contractual Obligation;
- (2) Reduce the rate of interest borne by the Contractual Obligation;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on the Contractual Obligation;
- (4) Modify the terms of payment of principal or of interest or redemption premium on the Contractual Obligation or impose any condition with respect to such payment; or
- (5) Change the requirement with respect to Registered Owner consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to the Registered Owner of the Contractual Obligation a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owner of the Contractual Obligation, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and

the respective rights, duties, and obligations of the Issuer and the Registered Owner of the Contractual Obligation shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of the Contractual Obligation pursuant to the provisions of this Section shall be irrevocable for a period of 6 months from the date of the mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Contractual Obligation during such period. Such consent may be revoked at any time after 6 months from the date of the mailing of said notice by the Registered Owner, or by a successor in title, by filing notice with the Issuer.

For the purposes of establishing ownership of the Contractual Obligation, the Issuer shall rely solely upon the registration of the ownership of such Contractual Obligation on the registration books kept by the Paying Agent/Registrar.

Section 15. PROJECT FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund or account to be entitled the "Series 2023 Contractual Obligation Project Fund" for use by the Issuer for payment of all lawful costs associated with the Projects as provided herein, and to pay the costs of issuance of the Contractual Obligation. Upon payment of all such costs, any moneys remaining on deposit in said fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance. Proceeds of the Obligation, less any costs of issuance paid at delivery of the Obligation, shall be deposited into the Project Fund.

(b) The Issuer may place proceeds of the Contractual Obligation (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Contractual Obligation will be used as soon as practicable for the purposes for which the Contractual Obligation is issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 16. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 17. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

EXHIBIT A

(a) Form of Contractual Obligation.

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF KEENE, TEXAS PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION SERIES 2023	PRINCIPAL AMOUNT \$[]
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<u>Interest Rate</u>	<u>Delivery Date</u>
As shown below	[June 29, 2023]

REGISTERED OWNER: [PURCHASER]

PRINCIPAL AMOUNT: [] DOLLARS

The City of Keene, in Johnson County, Texas (the "Issuer"), being a political subdivision of the State of Texas, for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns (the "Registered Owner"), the principal amount specified above, and to pay interest thereon, from the Delivery Date set forth above, on the balance of said principal amount from time to time remaining unpaid, at the rates per annum for each principal installment as set forth in the table below, calculated on the basis of a 360-day year of twelve 30-day months. The Contractual Obligation will mature on [February 15, 2038]. The unpaid principal of this Contractual Obligation shall mature and shall be payable in installments on the dates and in the amounts set forth in the table below:

<u>Payment Date</u>	<u>Principal Installment (\$)</u>	<u>Interest Rate (%)</u>
02/15/2025		
02/15/2026		
02/15/2027		
02/15/2028		
02/15/2029		
02/15/2030		
02/15/2031		
02/15/2032		
02/15/2033		
02/15/2034		
02/15/2035		
02/15/2036		
02/15/2037		
02/15/2038		

THE PRINCIPAL OF AND INTEREST ON THIS CONTRACTUAL OBLIGATION are payable in lawful money of the United States of America, without exchange or collection charges. The Issuer shall pay interest on this Contractual Obligation on [February 15, 2024], and on each February 15 thereafter to the date of maturity or prior redemption. The last principal installment of this Contractual Obligation shall be paid to the registered owner hereof upon presentation and surrender of this Contractual Obligation at maturity at the

principal office of [PAYING AGENT/REGISTRAR], [CITY], Texas, which is the "Paying Agent/Registrar" for this Contractual Obligation. The payment of all other principal installments of and interest on this Contractual Obligation shall be made by the Paying Agent/Registrar to the registered owner hereof on each principal and interest payment date by check or draft, dated as of such principal and interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Contractual Obligation (the "Contractual Obligation Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared at the close of business on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, principal and interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner.

ANY ACCRUED INTEREST due in connection with the final installment of principal of this Contractual Obligation or upon redemption of this Contractual Obligation in whole or in part at the option of the Issuer prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Contractual Obligation for payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Contractual Obligation that on or before each principal payment date and interest payment date for this Contractual Obligation it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Contractual Obligation Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Contractual Obligation, when due.

IF THE DATE for the payment of the principal of or interest on this Contractual Obligation shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CONTRACTUAL OBLIGATION is dated June 1, 2023, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$[] for the purpose of paying all or a portion of the Issuer's contractual obligations to be incurred in connection with the purchase of a new fire engine, a new brush truck and to pay the costs of issuance incurred in connection with the issuance of the Contractual Obligation.

[ON ANY DATE, the unpaid principal installments of this Contractual Obligation may be redeemed prior to their scheduled due dates, at the option of the Issuer, with funds derived from any available and lawful source, in whole or in part, at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption.]

AT LEAST TWENTY DAYS PRIOR to the date fixed for any optional redemption of the Contractual Obligation or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of the Contractual Obligation at its address as it appeared on the Registration Books on the day such notice of redemption is mailed; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of this Contractual Obligation. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Contractual Obligation or portions thereof which are to be so redeemed. If such written notice of

redemption is sent and if due provision for such payment is made, all as provided above, the Contractual Obligation or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for redemption, and shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

UPON THE PREPAYMENT or redemption of this Contractual Obligation, the Paying Agent/Registrar, shall note in the Payment Record appearing on this Contractual Obligation the amount of such prepayment, the date said payment was made and the remaining unpaid principal balance of this Contractual Obligation and shall then have said entry signed by an authorized official of the Paying Agent/Registrar. The Paying Agent/Registrar shall also record such information in the Registration Books, and the Paying Agent/Registrar shall also record in the Registration Books and on the Payment Record all payments of principal installments on such Contractual Obligation when made on their respective due dates.

THIS CONTRACTUAL OBLIGATION IS ISSUABLE in the form of one fully-registered Contractual Obligation without coupons in the denomination of \$[_____]. This Contractual Obligation may be transferred or exchanged as provided in the Contractual Obligation Ordinance, only upon the registration books kept for that purpose at the above-mentioned office of the Paying Agent/Registrar upon surrender of this Contractual Obligation together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent/Registrar and duly executed by the registered owner or his duly authorized attorney, and thereupon a new Contractual Obligation of the same maturity and in the same aggregate principal amount shall be issued by the Paying Agent/Registrar to the transferee in exchange therefor as provided in the Contractual Obligation Ordinance, and upon payment of the charges therein prescribed. The Issuer and the Paying Agent/Registrar may deem and treat the person in whose name this Contractual Obligation is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

IN THE EVENT any Paying Agent/Registrar for this Contractual Obligation is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Contractual Obligation Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owner of the Contractual Obligation.

THIS CONTRACTUAL OBLIGATION SHALL NOT BE VALID or become obligatory for any purpose or be entitled to any security or benefit under the Contractual Obligation Ordinance until the Certificate of Authentication shall have been executed by the Paying Agent/Registrar or the Comptroller's Registration Certificate hereon shall have been executed by the Texas Comptroller of Public Accounts.

IT IS HEREBY certified, recited and covenanted that this Contractual Obligation has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Contractual Obligation have been performed, existed and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Contractual Obligation, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Contractual Obligation Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owner of the Contractual Obligation.

BY BECOMING the registered owner of this Contractual Obligation, the registered owner thereby acknowledges all of the terms and provisions of the Contractual Obligation Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Contractual Obligation Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Contractual Obligation and the Contractual Obligation Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Contractual Obligation to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, the Mayor Pro Tem) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Contractual Obligation.

(signature)
City Secretary

(signature)
Mayor

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Contractual Obligation is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Contractual Obligation has been issued under the provisions of the Contractual Obligation Ordinance described in the text of this Contractual Obligation; and that this Contractual Obligation has been issued in replacement of, or in exchange for, a Contractual Obligation that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

[Paying Agent/Registrar]
[CITY], Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please type or print clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: _____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

the within Contractual Obligation and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Contractual Obligation on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Contractual Obligation in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Contractual Obligation has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Contractual Obligation has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Form of Payment Record.

PAYMENT RECORD

Date of Payment	Principal Payment (amount and installment(s) to which payment is applied)	Remaining Principal Balance	Name and Title of Authorized Officer making Entry	Signature of Authorized Officer
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

EXHIBIT B

PROCEDURES REGARDING COMPLIANCE WITH FEDERAL TAX COVENANTS

These procedures, together with any federal tax certifications, provisions included in the authorizing document (the "Ordinance") with respect to the issuance and sale of Obligations (as defined below), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the "Closing Documents"), are intended to assist the Issuer in complying with federal guidelines related to the issuance of any tax-exempt debt such as the Issuer's Public Property Finance Contractual Obligation, Series 2023 (the "Obligations").

A. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Responsible Person (as defined below) will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

1. Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Issuer's City Manager and Director of Finance (together with other employees of the Issuer who report to or such officer, is collectively, the "Responsible Person") will:

a. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations are entered into within 6 months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence;

b. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within 3 years of the Issue Date;

c. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after 3 years of the Issue Date;

d. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period; and

e. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.

2. Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will:

a. Assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service

on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

3. Procedures applicable to Escrow Accounts for Refunding Issues. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:

- a. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;
- b. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and
- c. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).

4. Procedures applicable to all Tax-exempt Obligation Issues. For all issuances of Obligations, the Responsible Person will:

- a. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- b. Ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- c. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Persons will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the facilities financed or refinanced with the proceeds of the Obligations (the "Project") do not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Persons will:

1. Develop procedures or a "tracking system" to identify all property financed with tax-exempt debt;
2. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;
3. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
4. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);

5. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;

6. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;

7. Monitor and record whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and

8. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the Project.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt Obligations, such records shall be maintained until the three (3) years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the governing body of the Issuer whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking the governing body's approval to engage or utilize existing advisors and agents for such purposes.



City Council Agenda Item 5 Report

June 8, 2023

Contact – Tabatha Mansell at
citysecretary@keenetx.com

SUBJECT: Discussion and take possible action canceling the Regular City Council Meeting on June 15, 2023.



City Council Agenda Item 6 Report

June 8, 2023

Contact – Don Martin at
citysecretary@keenetx.com

SUBJECT: Discussion and give direction to staff on advertising time frame for the Zoning Board of Adjustment positions with the term expiration of June 2023.

BACKGROUND/HISTORY

The Zoning Board of Adjustment meets on an as needed basis.

FINDINGS/CURRENT ACTIVITY

The entire board has a term expiration of June 2023. The City of Keene staff needs to advertise for the upcoming openings.